



AFFORDABLE HOUSING IMPACT FEE - INDEXING

CITY COUNCIL MEETING

Keith DeMartini, Finance Director

September 24, 2019



Objective

Hold Public Hearing and Adopt Resolution
Adjusting the Affordable Housing Impact Fees for
Residential and Nonresidential Development
Projects



Agenda

- I. Background & legal authority
- II. Current & proposed fee amounts
- III. Next steps & request to City Council
- IV. Questions



Fee Overview

■ Fee imposition

- Development that does not provide on or off-site affordable housing units within the project
- Residential development includes single family, condominium and apartment projects
- Commercial development includes office, retail and hotel projects
- Fee consistent with other cities
- Fees deposited into In-Lieu Fund
- Current balance of \$3.8 Million



Background & Legal Authority

- Affordable housing impact fees were established on December 13, 2016.
 - Major component of the City's housing element
 - Applies to residential ownership, rental and commercial projects
 - Residential projects with 5 or more net new units
 - Fees assessed per square foot of net new gross floor area



Background & Legal Authority

■ Impact Fee Indexing

- Percent increase in the Engineering News-Record Construction Cost Index for San Francisco
- Effective rate increase from 2016 to 2018 is 4.82%
- Annual indexing for all impact and in-lieu fees planned during each budget cycle going forward



Current & Proposed Fees

Unit Type	Current Fees (per sq ft)	Adjusted Fees (per sq ft)	Change
Single Family	\$27.00	\$28.30	\$1.30
Condominium	\$25.00	\$26.21	\$1.21
Apartment	\$25.00	\$26.21	\$1.21
Office	\$12.50	\$13.10	\$0.60
Retail	\$6.25	\$6.55	\$0.30
Hotel	\$12.50	\$13.10	\$0.60

- Adjusted fees will be applicable for projects where a building permit has not been issued and the fee has not yet been paid.

Next Steps & Request to City Council



- If Adopted, new fees take effect 60 days from today, effective November 25, 2019
- Hold Public Hearing and Adopt Resolution Adjusting the Affordable Housing Impact Fees for Residential and Nonresidential Development Projects

Questions

